

First Regular Session
Sixty-eighth General Assembly
STATE OF COLORADO

REREVISED

*This Version Includes All Amendments
Adopted in the Second House*

LLS NO. 11-1067.01 Jery Payne

SENATE BILL 11-273

SENATE SPONSORSHIP

Steadman,

HOUSE SPONSORSHIP

Massey,

Senate Committees
Business, Labor and Technology

House Committees
Judiciary

HOUSE
3rd Reading Unam ended
May 11, 2011

A BILL FOR AN ACT

101 **CONCERNING AUTHORIZATION TO CONSUME ALCOHOL BEVERAGES**
102 **WITHIN A COMMON CONSUMPTION AREA.**

HOUSE
2nd Reading Unam ended
May 10, 2011

Bill Summary

(Note: This summary applies to this bill as introduced and does not reflect any amendments that may be subsequently adopted. If this bill passes third reading in the house of introduction, a bill summary that applies to the reengrossed version of this bill will be available at <http://www.leg.state.co.us/billsummaries>.)

SENATE
Am ended 3rd Reading
May 9, 2011

The bill allows local authorities to create entertainment districts. A promotional association may create a festival area within a district. Within festival areas a person may buy an alcohol beverage from an attached vendor and consume the alcohol within the area. A festival area must have a qualified promotional association that represents the vendors,

SENATE
Am ended 2nd Reading
May 6, 2011

Shading denotes HOUSE amendment. Double underlining denotes SENATE amendment.
*Capital letters indicate new material to be added to existing statute.
Dashes through the words indicate deletions from existing statute.*

and vendors must be approved to be attached. Standards are set for approving both the promotional association and the vendors. The local authority may impose procedures and fees for approval and remove the authorization for violations.

The promotional association must submit annual reports to the local licensing authority and remove alcohol beverages from the festival area at closing. The vendors and the promotional association are prohibited from:

- ! Employing servers and security agents who have not completed an appropriate training program;
- ! Selling or providing an alcohol beverage to a customer for the festival area unless the container is less than 24 ounces, is disposable, and contains the name of the vendor in at least 16-point font;
- ! Operating the festival area during hours the licensed premises cannot legally sell alcohol;
- ! Operating the festival area in an area that exceeds the maximum authorized by statute or by the local licensing authority;
- ! Selling or giving alcohol to a person who is under 21 years of age, a visibly intoxicated person, or a known habitual drunkard; or
- ! Permitting a visibly intoxicated person to loiter within the festival area.

A person is prohibited from consuming alcohol within the festival area unless it was purchased from an attached, licensed premises.

1 *Be it enacted by the General Assembly of the State of Colorado:*
2 **SECTION 1.** 12-47-103, Colorado Revised Statutes, is amended
3 BY THE ADDITION OF THE FOLLOWING NEW SUBSECTIONS to
4 read:
5 **12-47-103. Definitions.** As used in this article and article 46 of
6 this title, unless the context otherwise requires:
7 (6.6) "COMMON CONSUMPTION AREA" MEANS AN AREA DESIGNED
8 AS A COMMON AREA IN AN ENTERTAINMENT DISTRICT APPROVED BY THE
9 LOCAL LICENSING AUTHORITY THAT USES PHYSICAL BARRIERS TO CLOSE
10 THE AREA TO MOTOR VEHICLE TRAFFIC AND LIMIT PEDESTRIAN ACCESS.

1 (7.5) "ENTERTAINMENT DISTRICT" MEANS AN AREA LOCATED
2 WITHIN A MUNICIPALITY THAT IS DESIGNATED AS ITS ENTERTAINMENT
3 DISTRICT OF NO MORE THAN ONE HUNDRED ACRES CONTAINING AT LEAST
4 TWENTY THOUSAND SQUARE FEET OF PREMISES LICENSED AS A TAVERN,
5 HOTEL AND RESTAURANT, BREW PUB, RETAIL GAMING TAVERN, OR
6 VINTNER'S RESTAURANT WHEN THE DISTRICT IS CREATED.

7
8 (24.5) "PROMOTIONAL ASSOCIATION" MEANS AN ASSOCIATION
9 THAT IS INCORPORATED WITHIN COLORADO, ORGANIZES AND PROMOTES
10 ENTERTAINMENT ACTIVITIES WITHIN A COMMON CONSUMPTION AREA, AND
11 IS ORGANIZED OR AUTHORIZED BY TWO OR MORE PEOPLE WHO OWN OR
12 LEASE PROPERTY WITHIN AN ENTERTAINMENT DISTRICT.

13 **SECTION 2.** 12-47-301, Colorado Revised Statutes, is amended
14 BY THE ADDITION OF A NEW SUBSECTION to read:

15 **12-47-301. Licensing in general.** (11) (a) THIS SUBSECTION (11)
16 APPLIES ONLY WITHIN AN ENTERTAINMENT DISTRICT THAT A GOVERNING
17 BODY OF A LOCAL LICENSING AUTHORITY" and after the period add "THIS
18 SUBSECTION (11) DOES NOT APPLY TO A SPECIAL EVENT PERMIT ISSUED
19 UNDER ARTICLE 48 OF THIS TITLE OR THE HOLDER THEREOF UNLESS THE
20 PERMIT HOLDER DESIRES TO USE AN EXISTING COMMON CONSUMPTION
21 AREA AND AGREES IN WRITING TO THE REQUIREMENTS OF THIS ARTICLE
22 AND THE LOCAL LICENSING AUTHORITY CONCERNING THE COMMON
23 CONSUMPTION AREA. HAS CREATED BY ORDINANCE OR RESOLUTION.

24 (b) A GOVERNING BODY OF A LOCAL LICENSING AUTHORITY MAY
25 CREATE AN ENTERTAINMENT DISTRICT BY ADOPTING AN ORDINANCE OR
26 RESOLUTION. AN ENTERTAINMENT DISTRICT SHALL NOT EXCEED ONE
27 HUNDRED ACRES. THE ORDINANCE OR RESOLUTION MAY IMPOSE STRICTER

1 LIMITS THAN REQUIRED BY THIS SUBSECTION (11) ON THE SIZE, SECURITY,
2 OR HOURS OF OPERATION OF ANY COMMON CONSUMPTION AREA CREATED
3 WITHIN THE ENTERTAINMENT DISTRICT.

4 (c) (I) A CERTIFIED PROMOTIONAL ASSOCIATION MAY OPERATE A
5 COMMON CONSUMPTION AREA WITHIN AN ENTERTAINMENT DISTRICT AND
6 AUTHORIZE THE ATTACHMENT OF A LICENSED PREMISES TO THE COMMON
7 CONSUMPTION AREA.

8 (II) AN ASSOCIATION OR TAVERN, HOTEL AND RESTAURANT, BREW
9 PUB, RETAIL GAMING TAVERN, OR VINTNER'S RESTAURANT LICENSEE WHO
10 WISHES TO CREATE A PROMOTIONAL ASSOCIATION MAY SUBMIT AN
11 APPLICATION TO THE LOCAL LICENSING AUTHORITY. TO QUALIFY FOR
12 CERTIFICATION, THE PROMOTIONAL ASSOCIATION MUST:

13 (A) HAVE A BOARD OF DIRECTORS;

14 (B) HAVE AT LEAST ONE DIRECTOR FROM EACH LICENSED
15 PREMISES ATTACHED TO THE COMMON CONSUMPTION AREA ON THE BOARD
16 OF DIRECTORS; AND

17 (C) AGREE TO SUBMIT ANNUAL REPORTS BY JANUARY 31 OF EACH
18 YEAR TO THE LOCAL LICENSING AUTHORITY SHOWING A DETAILED MAP OF
19 THE BOUNDARIES OF THE COMMON CONSUMPTION AREA, THE COMMON
20 CONSUMPTION AREA'S HOURS OF OPERATION, A LIST OF ATTACHED
21 LICENSED PREMISES, A LIST OF THE DIRECTORS AND OFFICERS OF THE
22 PROMOTIONAL ASSOCIATION, SECURITY ARRANGEMENTS WITHIN THE
23 COMMON CONSUMPTION AREA, AND ANY VIOLATION OF THIS ARTICLE
24 COMMITTED BY AN ATTACHED LICENSED PREMISES.

25 (III) THE LOCAL LICENSING AUTHORITY MAY REFUSE TO CERTIFY
26 OR MAY DECERTIFY A PROMOTIONAL ASSOCIATION OF A COMMON
27 CONSUMPTION AREA IF THE PROMOTIONAL ASSOCIATION:

1 (A) FAILS TO SUBMIT THE REPORT REQUIRED BY
2 SUB-SUBPARAGRAPH (C) OF SUBPARAGRAPH (II) OF THIS PARAGRAPH (c)
3 BY JANUARY 31 OF EACH YEAR;

4 (B) FAILS TO ESTABLISH THAT THE LICENSED PREMISES AND
5 COMMON CONSUMPTION AREA CAN BE OPERATED WITHOUT VIOLATING
6 THIS ARTICLE OR CREATING A SAFETY RISK TO THE NEIGHBORHOOD;

7 (C) FAILS TO HAVE AT LEAST TWO LICENSED PREMISES ATTACHED
8 TO THE COMMON CONSUMPTION AREA;

9 (D) FAILS TO OBTAIN OR MAINTAIN A PROPERLY ENDORSED
10 GENERAL LIABILITY AND LIQUOR LIABILITY INSURANCE POLICY THAT IS
11 REASONABLY ACCEPTABLE TO THE LOCAL LICENSING AUTHORITY AND
12 NAMES THE LOCAL LICENSING AUTHORITY AS AN ADDITIONAL INSURED;

13 (E) THE USE IS NOT COMPATIBLE WITH THE REASONABLE
14 REQUIREMENTS OF THE NEIGHBORHOOD OR THE DESIRES OF THE ADULT
15 INHABITANTS; OR

16 (F) VIOLATES SECTION 12-47-909.

17 (d) A PERSON SHALL NOT ATTACH A PREMISES LICENSED UNDER
18 THIS ARTICLE TO A COMMON CONSUMPTION AREA UNLESS AUTHORIZED BY
19 THE LOCAL LICENSING AUTHORITY.

20 (e) (I) A TAVERN, HOTEL AND RESTAURANT, BREW PUB, RETAIL
21 GAMING TAVERN, OR VINTNER'S RESTAURANT LICENSEE WHO WISHES TO
22 ATTACH TO A COMMON CONSUMPTION AREA MAY SUBMIT AN APPLICATION
23 TO THE LOCAL LICENSING AUTHORITY. TO QUALIFY, THE LICENSEE MUST
24 INCLUDE A REQUEST FOR AUTHORITY TO ATTACH TO THE COMMON
25 CONSUMPTION AREA FROM THE CERTIFIED PROMOTIONAL ASSOCIATION OF
26 THE COMMON CONSUMPTION AREA UNLESS THE PROMOTIONAL
27 ASSOCIATION DOES NOT EXIST WHEN THE APPLICATION IS SUBMITTED; IF

1 SO, THE APPLICANT SHALL REQUEST THE AUTHORITY WHEN A
2 PROMOTIONAL ASSOCIATION IS CERTIFIED AND SHALL DEMONSTRATE TO
3 THE LOCAL LICENSING AUTHORITY THAT THE AUTHORITY HAS BEEN
4 OBTAINED BY THE TIME THE APPLICANT'S LICENSE ISSUED UNDER THIS
5 ARTICLE IS RENEWED.

6 (II) THE LOCAL LICENSING AUTHORITY MAY DEAUTHORIZE OR
7 REFUSE TO AUTHORIZE OR REAUTHORIZE A LICENSEE'S ATTACHMENT TO A
8 COMMON CONSUMPTION AREA IF THE LICENSED PREMISES IS NOT WITHIN
9 OR ON THE PERIMETER OF THE COMMON CONSUMPTION AREA AND IF THE
10 LICENSEE:

11 (A) FAILS TO OBTAIN OR RETAIN AUTHORITY TO ATTACH TO THE
12 COMMON CONSUMPTION AREA FROM THE CERTIFIED PROMOTIONAL
13 ASSOCIATION;

14 (B) FAILS TO ESTABLISH THAT THE LICENSED PREMISES AND
15 COMMON CONSUMPTION AREA CAN BE OPERATED WITHOUT VIOLATING
16 THIS ARTICLE OR CREATING A SAFETY RISK TO THE NEIGHBORHOOD; OR

17 (C) VIOLATES SECTION 12-47-909.

18 (f) A LOCAL LICENSING AUTHORITY MAY ESTABLISH APPLICATION
19 PROCEDURES AND A FEE FOR CERTIFYING A PROMOTIONAL AUTHORITY OR
20 AUTHORIZING ATTACHMENT TO A COMMON CONSUMPTION AREA. THE
21 AUTHORITY SHALL ESTABLISH THE FEE IN AN AMOUNT DESIGNED TO
22 REASONABLY OFFSET THE COST OF IMPLEMENTING THIS SUBSECTION (11).

23 NOTWITHSTANDING ANY OTHER PROVISION OF THIS ARTICLE, A LOCAL
24 AUTHORITY MAY SET THE HOURS DURING WHICH A COMMON
25 CONSUMPTION AREA AND ATTACHED LICENSED PREMISES MAY SERVE
26 ALCOHOL AND THE CUSTOMERS MAY CONSUME ALCOHOL. BEFORE
27 CERTIFYING A PROMOTIONAL ASSOCIATION, THE LOCAL LICENSING

1 AUTHORITY SHALL CONSIDER THE REASONABLE REQUIREMENTS OF THE
2 NEIGHBORHOOD, THE DESIRES OF THE ADULT INHABITANTS AS EVIDENCED
3 BY PETITIONS, REMONSTRANCES, OR OTHERWISE, AND ALL OTHER
4 REASONABLE RESTRICTIONS THAT ARE OR MAY BE PLACED UPON THE
5 NEIGHBORHOOD BY THE LOCAL LICENSING AUTHORITY.

6 **SECTION 3.** 12-47-901 (1) (h), Colorado Revised Statutes, is
7 amended BY THE ADDITION OF A NEW SUBPARAGRAPH to read:

8 **12-47-901. Unlawful acts - exceptions.** (1) Except as provided
9 in section 18-13-122, C.R.S., it is unlawful for any person:

10 (h) (VI) NOTWITHSTANDING SUBPARAGRAPH (I) OF THIS
11 PARAGRAPH (h), IT IS NOT UNLAWFUL FOR ADULT PATRONS OF A LICENSED
12 PREMISES THAT IS ATTACHED TO A COMMON CONSUMPTION AREA TO
13 CONSUME ALCOHOL BEVERAGES UPON UNLICENSED AREAS WITHIN A
14 COMMON CONSUMPTION AREA, BUT THIS SUBPARAGRAPH (VI) DOES NOT
15 AUTHORIZE A PATRON TO REMOVE AN ALCOHOL BEVERAGE FROM THE
16 COMMON CONSUMPTION AREA.

17 **SECTION 4.** 12-47-908, Colorado Revised Statutes, is amended
18 to read:

19 **12-47-908. Colorado state fair or common consumption area**
20 **- consumption on premises.** Notwithstanding any other provision of this
21 article, a person who purchases an alcohol beverage for consumption
22 from a vendor licensed pursuant to UNDER this article at THAT IS EITHER
23 ATTACHED TO A COMMON CONSUMPTION AREA OR LICENSED FOR the
24 fairgrounds of the Colorado state fair authority may leave the licensed
25 premises with the beverage and possess and consume the beverage at any
26 place within the COMMON CONSUMPTION AREA OR fairgrounds if the
27 person does not remove the beverage from the COMMON CONSUMPTION

1 AREA OR fairgrounds. This section does not authorize a person to bring
2 into the COMMON CONSUMPTION AREA OR fairgrounds an alcohol beverage
3 purchased outside of the COMMON CONSUMPTION AREA OR fairgrounds.

4 **SECTION 5.** Part 9 of article 47 of title 12, Colorado Revised
5 Statutes, is amended BY THE ADDITION OF A NEW SECTION to
6 read:

7 **12-47-909. Common consumption areas.** (1) A PROMOTIONAL
8 ASSOCIATION OR ATTACHED LICENSED PREMISES SHALL NOT:

9 (a) EMPLOY A PERSON TO SERVE ALCOHOL BEVERAGES OR PROVIDE
10 SECURITY WITHIN THE COMMON CONSUMPTION AREA UNLESS THE SERVER
11 HAS COMPLETED THE SERVER AND SELLER TRAINING PROGRAM
12 ESTABLISHED BY THE DIRECTOR OF THE LIQUOR ENFORCEMENT DIVISION
13 OF THE DEPARTMENT OF REVENUE;

14 (b) SELL OR PROVIDE AN ALCOHOL BEVERAGE TO A CUSTOMER FOR
15 CONSUMPTION WITHIN THE COMMON CONSUMPTION AREA BUT NOT WITHIN
16 THE LICENSED PREMISES IN A CONTAINER THAT IS LARGER THAN SIXTEEN
17 OUNCES;

18 (c) SELL OR PROVIDE AN ALCOHOL BEVERAGE TO A CUSTOMER FOR
19 CONSUMPTION WITHIN THE COMMON CONSUMPTION AREA BUT NOT WITHIN
20 THE LICENSED PREMISES UNLESS THE CONTAINER IS DISPOSABLE AND
21 CONTAINS THE NAME OF THE VENDOR IN AT LEAST TWENTY-FOUR-POINT
22 FONT;

23 (d) PERMIT CUSTOMERS TO LEAVE THE LICENSED PREMISES WITH
24 AN ALCOHOL BEVERAGE UNLESS THE BEVERAGE CONTAINER COMPLIES
25 WITH PARAGRAPHS (b) AND (c) OF THIS SUBSECTION (1);

26 (e) OPERATE THE COMMON CONSUMPTION AREA DURING HOURS
27 THE LICENSED PREMISES CANNOT SELL ALCOHOL UNDER THIS ARTICLE OR

1 THE LIMITATIONS IMPOSED BY THE LOCAL LICENSING AUTHORITY;

2 (f) OPERATE THE COMMON CONSUMPTION AREA IN AN AREA THAT
3 EXCEEDS THE MAXIMUM AUTHORIZED BY THIS ARTICLE OR BY THE LOCAL
4 LICENSING AUTHORITY;

5 (g) SELL, SERVE, DISPOSE OF, EXCHANGE, OR DELIVER, OR PERMIT
6 THE SALE, SERVING, GIVING, OR PROCURING OF, AN ALCOHOL BEVERAGE
7 TO A VISIBLY INTOXICATED PERSON OR TO A KNOWN HABITUAL
8 DRUNKARD;

9 (h) SELL, SERVE, DISPOSE OF, EXCHANGE, OR DELIVER OR PERMIT
10 THE SALE, SERVING, OR GIVING OF AN ALCOHOL BEVERAGE TO A PERSON
11 UNDER TWENTY-ONE YEARS OF AGE; OR

12 (i) PERMIT A VISIBLY INTOXICATED PERSON TO LOITER WITHIN THE
13 COMMON CONSUMPTION AREA.

14 (2) THE PROMOTIONAL ASSOCIATION SHALL PROMPTLY REMOVE
15 ALL ALCOHOL BEVERAGES FROM THE COMMON CONSUMPTION AREA AT
16 THE END OF THE HOURS OF OPERATION.

17 (3) A PERSON SHALL NOT CONSUME ALCOHOL WITHIN THE
18 COMMON CONSUMPTION AREA UNLESS IT WAS PURCHASED FROM AN
19 ATTACHED, LICENSED PREMISES.

20 (4) THIS SECTION DOES NOT APPLY TO A SPECIAL EVENT PERMIT
21 ISSUED UNDER ARTICLE 48 OF THIS TITLE OR THE HOLDER THEREOF UNLESS
22 THE PERMIT HOLDER DESIRES TO USE AN EXISTING COMMON CONSUMPTION
23 AREA AND AGREES IN WRITING TO THE REQUIREMENTS OF THIS ARTICLE
24 AND THE LOCAL LICENSING AUTHORITY CONCERNING THE COMMON
25 CONSUMPTION AREA.

26 **SECTION 6. Act subject to petition - effective date -**
27 **applicability.** (1) This act shall take effect at 12:01 a.m. on the day

1 following the expiration of the ninety-day period after final adjournment
2 of the general assembly (August 10, 2011, if adjournment sine die is on
3 May 11, 2011); except that, if a referendum petition is filed pursuant to
4 section 1 (3) of article V of the state constitution against this act or an
5 item, section, or part of this act within such period, then the act, item,
6 section, or part shall not take effect unless approved by the people at the
7 general election to be held in November 2012 and shall take effect on the
8 date of the official declaration of the vote thereon by the governor.

9 (2) The provisions of this act shall apply to acts committed on or
10 after the applicable effective date of this act.